



## ACTIVITIES REPORT SEPTEMBER QUARTER 2017

### ASX ANNOUNCEMENT

30 October 2017

ASX Code: CMM

ABN: 84 121 700 105

#### Board of Directors:

Mr Heath Hellewell  
*Executive Chairman*

Mr Guy LeClezio  
*Non-Executive Director*

Mr Stuart Pether  
*Non-Executive Director*

#### Issued Capital:

Shares 572.4M  
Options 55.7M  
Share Price A\$0.055  
Market Cap. A\$34.5M

#### REGISTERED OFFICE:

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### HIGHLIGHTS

- Feasibility Study work was finalised on the 100%-owned Karlawinda Gold Project, located near Newman in the Pilbara region of Western Australia. The Project has a total Mineral Resource estimate of **31.3 million tonnes @ 1.10g/t Au containing 1,114,000 ounces** of gold. Results of the study were released on 23<sup>rd</sup> October 2017
- The study outlined a technically and financially robust project over a mine life of 6.5 years based on the current Ore Reserve of **21 million tonnes @ 1.06g/t Au containing 713,000 ounces** of gold
- The Project generates an undiscounted pre-tax operating surplus of \$413M from total revenue of \$1,091M and a pre-tax NPV<sub>8</sub> of \$144M and an IRR of 31%
- Average life of mine production of around 100,000oz per annum with estimated cash operating costs of \$991/oz and all in sustaining costs (ASIC) of \$1,025/oz.
- Estimated capital cost for the processing plant and associated infrastructure is \$133.3M (plus a contingency allowance of \$13.1 million). Payback is estimated within three years of first production.
- Exploration drilling undertaken at the Portrush Prospect located in the hanging wall on the western margin of the 1.1Moz Bibra Deposit, has expanded the mineralisation immediately adjacent to existing designed pit shells. Significant results include:
  - KBRC0953 28 metres @ 1.47g/t Au
  - KBRC1038 25 metres @ 2.28g/t Au
- Exploration drilling at the *Easky Prospect*, located approximately 800m south-west of the Bibra Deposit, has identified a series of stacked mineralised zones that have now been defined over a strike length of approximately 500m. Significant results include:
  - KBRC0995 8 metres @ 3.74g/t Au
  - KBRC0978 22 metres @ 1.35g/t Au

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## SEPTEMBER QUARTER ACTIVITIES SUMMARY

During the September 2017 Quarter the Company was focussed on finalising its Feasibility Study for the Karlawinda Gold Project following the release of its maiden Ore Reserve estimate. The study was completed post the end of the Quarter and released to the ASX on the 23<sup>rd</sup> October 2017.

Exploration drilling programs were completed at the Portrush and Easky Prospects during the Quarter.

An airborne magnetic geophysical survey was completed, along with modelling of magnetic and historical induced polarisation (IP) geophysical data.

### Karlawinda Feasibility Study

The Feasibility Study for the Karlawinda Gold Project was finalised during the September Quarter and into early October with the result released post the end of the Quarter.

The study is based on the maiden JORC 2012 compliant Ore Reserve estimate of **21 million tonnes @ 1.06g/t Au for 713,000 ounces**<sup>1</sup> for the Bibra Deposit as released to the ASX on the 7<sup>th</sup> August 2017 (Table 1).

**TABLE 1: BIBRA DEPOSIT JORC OPEN PIT ORE RESERVE ESTIMATE**  
(\$1500/ounce assumption)

DATE	PROVED RESERVES			PROBABLE RESERVES			TOTAL RESERVES		
	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)
July 2017	-	-	-	21	1.06	0.713	21	1.06	0.713

**Notes:**

- Ore Reserves are a subset of Mineral Resources
- Ore Reserves conform with and use the JORC 2012 Code definitions
- Ore Reserves are calculated using a gold price of A\$1500/ounce
- Ore Reserves are calculated using a cut-off grade between 0.40g/t and 0.47g/t Au
- Mining dilution methods applied result in a reduction of 13% of reportable Au ounces
- All figures are rounded to reflect appropriate levels of confidence which may result in apparent errors of summation

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<sup>1</sup> Capricorn report that it is not aware of any new information or data that materially affects the information included in the Ore Reserve announcement dated 7<sup>th</sup> August 2017 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

**TABLE 2: KARLAWINDA FEASIBILITY STUDY RESULTS**

Karlawinda Gold Project Total Mineral Resources			
Indicated	28.9Mt	1.10 g/t	1.03 Moz
Inferred	2.4Mt	1.06 g/t	0.084Moz
<b>Total Resources</b>	<b>31.3Mt</b>	<b>1.10 g/t</b>	<b>1.114Moz</b>
Bibra Ore Reserves			
Probable Reserve	21.0Mt	1.06 g/t	0.713Moz
Processing Plant & Infrastructure Capital Costs <sup>2</sup>			
3.0 Mtpa Process Plant		A\$M	90.7
Plant Infrastructure		A\$M	8.7
Other Infrastructure		A\$M	20.5
Owners Costs		A\$M	13.4
Contingency		A\$M	13.1
<b>Total</b>		<b>A\$M</b>	<b>146.3<sup>3</sup></b>
Capital Cost / LOM Gold Production		\$A/oz	221
Capital Cost / Pre-Tax NPV			1.02
LOM Sustaining Capital Costs <sup>4</sup>		A\$M	22.8
Production Summary			
Life of Mine (LOM)		Years	6.5
LOM Strip Ratio		Waste:Ore	4.7:1
LOM Gold Production		oz	660,955
LOM Average Annual Gold Production <sup>5</sup>		oz	101,685
Processing Rate - oxide		Mtpa	3.75
Processing Rate - primary		Mtpa	3.0
LOM Average Gold Recovery		%	92.6
LOM Operating Costs			
Mining		A\$/t milled	13.8
Processing (oxide)		A\$/t milled	9.9
Processing (primary)		A\$/t milled	13.0
Processing (average LOM)		A\$/t milled	12.0
Administration		A\$/t milled	2.6
C1 Costs <sup>6</sup>		A\$/oz	991
AISC <sup>7</sup>		A\$/oz	1025
Project Economics			
LOM Revenue (A\$1650/oz)		A\$M	1091
LOM Pre-Tax Operating Cashflow (A\$1650/oz)		A\$M	413
NPV <sub>8</sub> (Pre-Tax)		A\$M	144
IRR (Pre-Tax)		%	31
Payback (Post-Tax)		Years	3.1

<sup>2</sup> Excludes mining fleet

<sup>3</sup> May include rounding adjustments

<sup>4</sup> Includes mine rehabilitation and closure costs

<sup>5</sup> Excludes final quarter of production

<sup>6</sup> Includes royalties equating to \$82.90/oz

<sup>7</sup> Includes sustaining capital costs equating to \$34.50/oz

The study confirms the robust nature of the Karlawinda Gold Project with an attractive life of mine average annual production rate of approximately 100,000 ounces of gold at low forecast average production costs (AISC) of \$1,025/oz.

The Project is based on open pit mining, from a single large multi-stage open pit with an Ore Reserve of 21 million tonnes @ 1.06g/t Au containing 713,000 ounces. Initially higher value near surface laterite and oxide ore is mined to produce 177,000 ounces from three individual Stage One pits. The life of mine stripping ratio of the current final Stage Three pit design is 4.7:1.

The mining operations will use contract grade control drilling, contract drill and blast and owner operator load and haul. Ore is treated through a 3Mtpa (3.7mtpa for oxide ore) plant using standard "off the shelf" processing technology including single stage crushing, SAG/SABC grinding and gravity recovery along with conventional cyanide leaching and recovery (carbon in leach).

The Company has obtained a granted Mining Lease for the Project along with a signed Native Title access agreement, base line and detailed environmental studies have been completed and the process of obtaining other key permits and approvals has commenced, with no obvious impediments to fully permitting the Project.

Following completion of the Feasibility Study the Capricorn Board has approved the development of the Karlawinda Gold Project. Subject to suitable financing arrangements and a final investment decision, construction of the Project is anticipated to take around 64 weeks. It is expected that construction will be undertaken by way of a fixed price EPC contract and a formal EPC tender process has commenced with four shortlisted contractors.

The total capital cost estimate for the 3.0Mtpa plant, project infrastructure and owner's costs, including a contingency allowance of \$13.1 million, is \$146.3 million. Capricorn is currently targeting first gold production from Karlawinda in the June Quarter 2019.

The Karlawinda Gold Project exhibits significant gold endowment potential and with the Project now underpinned by a robust Feasibility Study, Capricorn will immediately recommence exploration with an objective of significantly increasing the resource and reserve base for the Project.

The Company has commenced a process to obtain approved terms for the debt component of the proposed project financing and subject to a satisfactory debt arrangement, focus will then shift to the remaining equity component of the project financing. The Company is currently aiming to have credit-approved debt terms early in the June Quarter 2018.

Ongoing optimisation of the Project continues with a focus on capital costs, mining costs, pit scheduling and design, and a final decision on a power supply solution to be made in the December 2017 Quarter.

## Bibra Exploration

Drilling of two key near-mine prospects located immediately adjacent to the 1.1Moz Bibra Deposit (Portrush and Easky), expanded these positions with the results to be incorporated into a revised Mineral Resource inventory to be estimated in the December Quarter 2017.

### PORTRUSH PROSPECT

The Portrush Prospect is located in the immediate hanging wall of the currently defined Bibra Deposit, partially within the existing proposed Bibra pit design. The mineralisation is interpreted to be structurally controlled along a major mineralised fault (Portrush Zone) that has been interpreted to extend over a strike length of at least 2.5km.

The recent drilling targeted a broad shoot of oxide mineralisation located on the western margin of the Bibra Deposit. This shoot extends from surface and has been drilled down-dip for approximately 175m and remains open both at depth and along strike to the north (Figure 1).

Significant results include (see ASX Release 3<sup>rd</sup> August 2017):

- KBRC0951 14 metres @ 2.06g/t Au
- KBRC0907 10 metres @ 1.41g/t Au
- KBRC0953 28 metres @ 1.47g/t Au
- KBRC1038 25 metres @ 2.28g/t Au
- KBRC1037 16 metres @ 1.43g/t Au
- KBRC1039 25 metres @ 1.01g/t Au
- KBRC0941 2 metres @ 16.7g/t Au

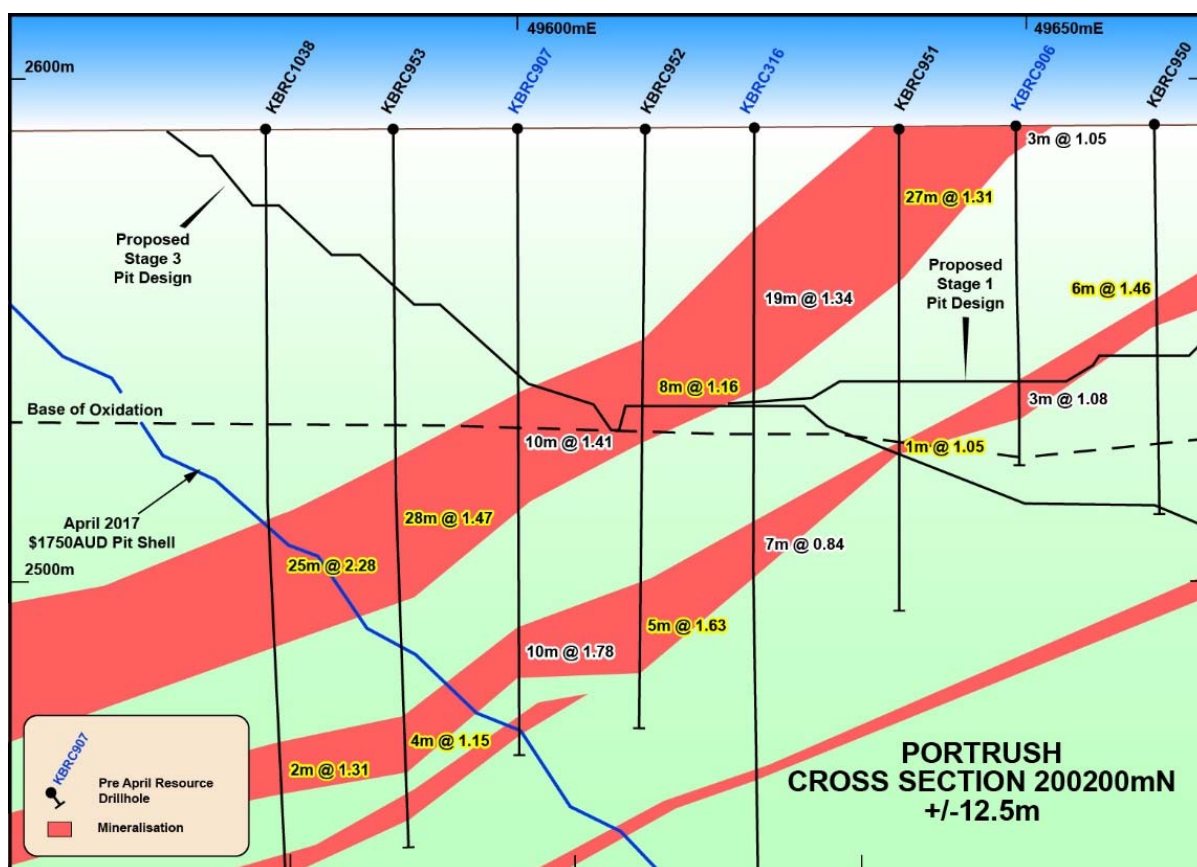


Figure 1: Portrush Prospect, section 200200mN, recent drilling (black label) pre-Resource drilling (blue label).

These recent results suggest an improvement in widths and grade of mineralisation at Portrush with depth, and have potential to result in an expanded optimised pit design in this area. The results also demonstrate potential for additional significant mineralised shoots to be discovered along the Portrush Trend. Drilling along this structure is currently wide spaced outside of the known prospects at Portrush and Easky (Figure 2).

### ***EASKY PROSPECT***

The Easky Prospect, which is a zone of shoot-controlled mineralisation, located 800m south of the Portrush Prospect is interpreted to be located on the same controlling mineralised fault (Portrush Trend) (Figure 1). The Easky Prospect extends over an area of 500m x 500m. The mineralisation intersected in recent drilling is present in multiple stacked zones with strong high-grade shoot control.

Significant results include (*See ASX Release 3<sup>rd</sup> August 2017*):

- KBRC0981      7 metres @ 1.93g/t Au
- KBRC0989      6 metres @ 1.42g/t Au
- KBRC0995      8 metres @ 3.74g/t Au
- KBRC0978     22 metres @ 1.35g/t Au
- KBRC1014      5 metres @ 3.39g/t Au
- KBRC1011     21 metres @ 1.00g/t Au
- KBRC1009      4 metres @ 2.94g/t Au
- KBRC1008      7 metres @ 2.83g/t Au

Drilling at Easky remains relatively wide spaced, and there is an opportunity to expand the high-grade shoots within the broader mineralised system.

## **Regional Exploration**

Assessment of the regional potential of the wider Karlawinda Gold Project has been ongoing. The aim has been to identify the next set of key targets that have potential to produce large-scale, brownfield opportunities.

This work has involved flying a detailed airborne magnetic survey, re-modelling and targeting of IP survey data, capture of all open source data, mapping and rock chip sampling and a review of company geochemical data.

In addition, a re-assessment of the highly prospective Francopan and K3 prospects was completed by applying the advanced knowledge gained from the Bibra Deposit resulting in further drill-ready targets.

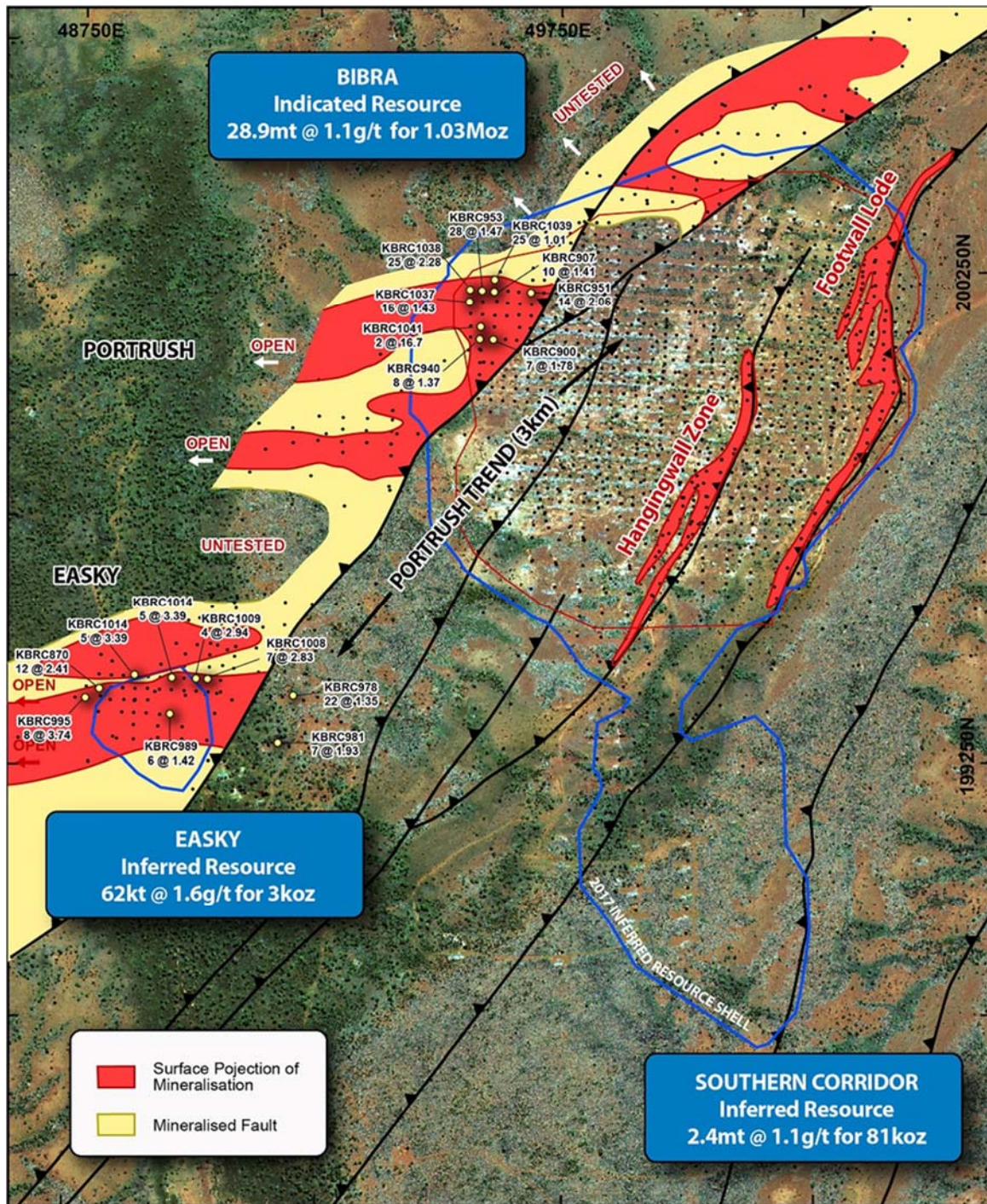


Figure 2: Portrush Trend, interpreted mineralised shoots at Portrush and Easky Prospects.

### BUNDORAN PROSPECT

A high priority exploration target has been identified at the Bundoran Prospect, which is located approximately 3km to the east of Bibra. An induced polarization (IP) feature has been modelled in close association with a large discordant magnetic anomaly. Wide-spaced reconnaissance drilling in proximity to the new target area has previously returned several significant gold values.

The interpreted prospectivity of the Bundoran Prospect is based primarily on the fact that there is a strong association of both magnetic and IP anomalies with gold mineralisation at the Bibra Deposit. The detailed airborne magnetic data acquired during the quarter was used to refine the existing target model ahead of drill testing in the December 2017 Quarter.

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## DECEMBER QUARTER PLANNED ACTIVITIES

Activities planned for the December quarter include:

- Continued focus on obtaining permit approvals required for the Project.
- Progression of project financing arrangements.
- Revision of the Mineral Resource Inventory.
- Recommencement of exploration with a drilling program.

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## TENEMENTS

A full listing of the Company's current tenement holdings, as at the date of this release, is included as Appendix 1.

During the quarter, the following changes have occurred:

- Tenement Application E52/3474 was converted into a granted tenement.
- Tenement Application E52/3571 was lodged.
- Miscellaneous License Applications L52/174, L52/175, L52/177, L52/178, L52/179, L52/180, L52/181 were lodged.

There have been no changes subsequent to the end of the quarter.

*For and on behalf of the Board*



*Heath Hellewell  
Executive Chairman*

*For further information, please contact:*

Mr Heath Hellewell,  
Executive Chairman  
Email: [enquiries@capmet.com.au](mailto:enquiries@capmet.com.au)  
Phone: (08) 9212 4600



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### **Competent Persons Statement**

*The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Michael Martin who is Chief Geologist and a full-time employee of the Company. Mr. Michael Martin is a current Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Martin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

*The information in this report that relates to Exploration Results or Mineral Resources is based on information reviewed by Mr. Peter Langworthy who is Executive General Manager Geology, and a full-time employee of the Company. Mr. Peter Langworthy is a current Member of the Australian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

*The information in this report that relates to Ore Reserves for Bibra is based on information compiled by Quinton de Klerk. Mr de Klerk is an employee of Cube Consulting PL and is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM, #210114). Mr de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. de Klerk consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

*Capricorn Metals confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX announcements on Mineral Resources (10/4/2017), Metallurgy (19/6/2017) and Ore Reserves (7/08/2017) and, in the case of estimates of Mineral Resources, Ore Reserves, Plant operating costs and Metallurgy, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from previous market announcements.*

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### **Forward Looking Statements**

*This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all Material Assumptions are disclosed.*

*However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.*

*Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.*

*For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.*

*The Company has concluded it has a reasonable basis for providing the forward-looking statements that relate to the Karlawinda Feasibility Study that are included in this announcement and which has been prepared in accordance with the JORC code (2012) and ASX Listing Rules.*

## APPENDIX 1 – TENEMENT SCHEDULE

### Australia:

Lease	Project	Company	Blocks <sup>1</sup>	Status	Date of Grant/ Application	Expiry
<i>Tenements</i>						
E52/1711	Karlawinda	Greenmount	33	Granted	05/08/2004	04/08/2018
E52/2247	Karlawinda	Greenmount	16	Granted	21/07/2009	20/07/2019
E52/2398	Karlawinda	Greenmount	15	Granted	28/04/2010	27/04/2020
E52/2409	Karlawinda	Greenmount	8	Granted	15/06/2010	14/06/2020
E52/3323	Karlawinda	Greenmount	11	Granted	11/03/2016	10/03/2021
E52/3363	Karlawinda	Greenmount	36	Granted	13/01/2017	12/01/2022
E52/3364	Karlawinda	Greenmount	44	Granted	07/03/2017	06/03/2022
E52/3450	Karlawinda	Greenmount	16	Granted	13/01/2017	12/01/2022
E52/3474	Karlawinda	Greenmount	128	Granted	03/07/2017	02/07/2022
E52/3533	Karlawinda	Greenmount	109	Application	23/03/2017	-
E52/3541	Karlawinda	Greenmount	7	Application	19/04/2017	-
E52/3543	Karlawinda	Greenmount	8	Application	20/04/2017	-
E52/3554	Karlawinda	Greenmount	19	Application	29/05/2017	-
E52/3562	Karlawinda	Greenmount	20	Application	16/06/2017	-
E52/3571	Karlawinda	Greenmount	10	Application	10/08/2017	-
<b>Total Blocks</b>			<b>480</b>			
<i>Miscellaneous Licences</i>						
L52/174	Karlawinda	Greenmount	22.17 ha	Application	25/08/17	-
L52/175	Karlawinda	Greenmount	39.07 ha	Application	25/08/17	-
L52/177	Karlawinda	Greenmount	12.20 ha	Application	25/08/17	-
L52/178	Karlawinda	Greenmount	21.41 ha	Application	25/08/17	-
L52/179	Karlawinda	Greenmount	127.83 ha	Application	25/08/17	-
L52/180	Karlawinda	Greenmount	20.63 ha	Application	14/09/17	-
L52/181	Karlawinda	Greenmount	1.00 ha	Application	15/09/17	-
<i>Mining Lease</i>						
M52/1070	Karlawinda	Greenmount	2975.07 ha	Granted	23/11/2016	22/11/2037

### Note:

- The area measurement for one block can vary between 2.8 – 3.2 km<sup>2</sup>

### Madagascar:

Title Number	Permit Type	Grant Date	Expiry Date	Term (Years)	Project Name	Total Carres (New - 0.391km <sup>2</sup> )	Interest %	Note
3432	PR	21-Sep-15	20-Sep-18	3	Ampanihy - Central (Big 'S')	48	100%	5
5391	PE	20-Nov-02	19-Nov-42	40	Ampanihy - Ianapera	16	100%	5
5392	PE	20-Nov-02	19-Nov-42	40	Ampanihy - Ianapera	16	100%	4,5
5393	PE	20-Nov-02	19-Nov-42	40	Ampanihy - Ianapera	16	100%	5
5394	PE	20-Nov-02	19-Nov-42	40	Ampanihy - Maniry	48	100%	3,5
19932	PE	10-Mar-06	09-Mar-46	40	Ampanihy - Maniry	112	100%	
25093	PE	18-Jan-07	17-Jan-47	40	Ampanihy - Ianapera	16	100%	5
25094	PE	18-Jan-07	17-Jan-47	40	Ampanihy - Ianapera	16	100%	5
25095	PE	18-Jan-07	17-Jan-47	40	Ampanihy - Maniry	48	100%	2
25605	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Maniry	80	100%	1,5
25606	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Maniry	16	100%	1,5
39750	PR	21-Sep-15	20-Sep-18	3	Ampanihy - Central (Big 'S')	16	100%	5
39751	PR	21-Sep-15	20-Sep-18	3	Ampanihy - Central (Big 'S')	160	100%	5
<b>Total Carres</b>						<b>608</b>		

### Note:

- Renewal awaiting confirmation from BCMM. All annual fees have been paid up to 31 December 2017.
- Leased to SQNY – Royalty and partial tenement fees payable to subsidiary Mada-Aust SARL.
- Leased to Jupiter Mines and Minerals – Royalty and annual tenement fees payable to MDA.
- Leased to Hery Lala Alain Raharinavio – Royalty on small blocks.
- Subject to sale to Blackearth Minerals NL upon the completion of the sale of Madagascar Graphite Ltd under the Share Sale & Purchase Agreement.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

CAPRICORN METALS LTD

**ABN**

84 121 700 105

**Quarter ended ("current quarter")**

30 SEPTEMBER 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	28	28
1.2 Payments for		
(a) exploration & evaluation	(1,890)	(1,890)
(b) development	-	-
(c) production	-	-
(d) staff costs	(296)	(296)
(e) administration and corporate costs	(255)	(255)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other: GST (Paid)/ Refunded	81	81
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,315)</b>	<b>(2,315)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(5)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(331) <sup>1</sup>	(331)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(336)</b>	<b>(336)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,542	5,542
4.2	Net cash used in operating activities (item 1.9 above)	(2,315)	(2,315)
4.3	Net cash from/ (used) in investing activities (item 2.6 above)	(336)	(336)
4.4	Net cash from financing activities (item 3.10 above)	-	-

<sup>1</sup> Payment of \$331,000 relates to stamp duty payable on the acquisition of Greenmount Resources Pty Ltd.

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,891</b>	<b>2,891</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,891	5,544
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,891</b>	<b>5,544</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
87
-

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	1,100
9.2 Development	-
9.3 Production	-
9.4 Staff costs	600
9.5 Administration and corporate costs	220
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,920</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Covering Quarterly Activity Report attached hereto		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Refer to Covering Quarterly Activity Report attached hereto		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
 (Company secretary)

Date: 30 October 2017

Print name:

Natasha Santi

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.